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Sept. 1, 2001

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%

\$18.11 /CWT

CLASS I BUTTERFAT PRICE PER POUND

\$2.27 /LB

EFFECTIVE OCTOBER 1, 2001:

The minimum price to pay milk producers, under ARM 32.24.301, is \$18.11 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 22.7 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$2.27.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$15.75 /CWT

Average spray process dry milk solids

price per pound = \$1.00500
Multiplied by 8.2 x 8.2

\$8.24100

\$8.24100

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$2.13550
Multiplied by 4.2 x 4.2

\$8.96910

+ \$8.96910

LESS a make allowance of 8.5% (\$17.2101 X .085)

\$17.21010

- \$1.46286

\$15.74724

Rounded to the nearest whole cent = \$15.75 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND**\$2.37 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$2.13550	X .111)	=
Rounded to the nearest half cent				=
				\$0.23704
				\$0.237

Butterfat value per pound		
for milk at 3.5% test:	\$2.37	

Hundredweight price of milk testing 3.5%		=	\$15.75
LESS 3.5 pounds of butterfat at	\$2.37	per pound	-
Value of 96.5 pounds of skim			=
			\$7.455

**CLASS II VALUE OF
ONE POUND OF SKIM**

7.455 / 96.5 pounds)	=	\$0.07725 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$13.32 /CWT**

3.5 pounds of butterfat	\$1.92	per pound =	\$6.720
96.5 pounds of skim	\$0.06840	per pound =	\$6.601
			\$13.321 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$1.92 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$2.13550
LESS 10%	-	\$0.21355
		\$1.92195

Rounded to the nearest whole cent	=	\$1.92 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$6.84003 /CWT**

Avg. spray process dry milk solid price/lb :	\$1.00500
Multiplied by 8.2	8.2
	\$8.24100
LESS 17%	\$1.40097
	\$6.84003

Rounded to the nearest whole cent	\$6.84 per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

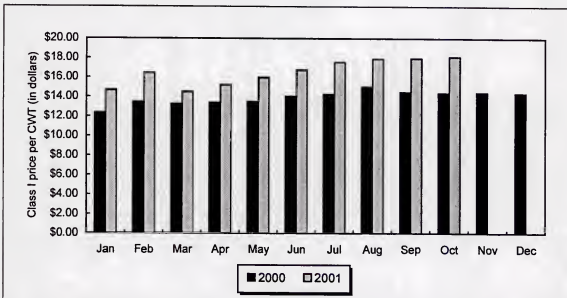
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2000 and 2001

Statistics from the Montana Milk Control Bureau

Month	2000	2001	Difference	% Change
January	\$12.34	\$14.68	\$2.34	18.96%
February	\$13.45	\$16.43	\$2.98	22.16%
March	\$13.26	\$14.49	\$1.23	9.28%
April	\$13.39	\$15.20	\$1.81	13.52%
May	\$13.48	\$15.99	\$2.51	18.62%
June	\$14.03	\$16.76	\$2.73	19.46%
July	\$14.25	\$17.54	\$3.29	23.09%
August	\$15.01	\$17.89	\$2.88	19.19%
September	\$14.50	\$17.95	\$3.45	23.79%
October	\$14.39	\$18.11	\$3.72	25.85%
November	\$14.44			
December	<u>\$14.37</u>			
Average	\$13.91	\$16.50	\$2.69	19.39%

Prices are per hundredweight (CWT).

Completion of pooling (prior to audit) shows the producer quota blend prices to be:

JULY 2001: class I = \$10.07; class II = \$2.47; Class III = \$3.46; total = \$16.00

(calculations based upon utilization percentages of butterfat & skim)

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$18.11 FOR 3.5% MILK 96.5 LBS = \$10.165		CLASS II SKIM PRICE BASED ON \$15.75 FOR 3.5% MILK 96.5 LBS = \$7.455		CLASS III SKIM PRICE BASED ON \$13.32 FOR 3.5% MILK 96.5 LBS = \$6.601	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.10426	2.50	\$0.07646	2.50	\$0.06770
2.55	\$0.10431	2.55	\$0.07650	2.55	\$0.06773
2.60	\$0.10436	2.60	\$0.07654	2.60	\$0.06777
2.65	\$0.10442	2.65	\$0.07658	2.65	\$0.06780
2.70	\$0.10447	2.70	\$0.07662	2.70	\$0.06784
2.75	\$0.10452	2.75	\$0.07666	2.75	\$0.06787
2.80	\$0.10458	2.80	\$0.07670	2.80	\$0.06791
2.85	\$0.10463	2.85	\$0.07674	2.85	\$0.06794
2.90	\$0.10469	2.90	\$0.07678	2.90	\$0.06798
2.95	\$0.10474	2.95	\$0.07682	2.95	\$0.06801
3.00	\$0.10479	3.00	\$0.07686	3.00	\$0.06805
3.05	\$0.10485	3.05	\$0.07690	3.05	\$0.06808
3.10	\$0.10490	3.10	\$0.07693	3.10	\$0.06812
3.15	\$0.10496	3.15	\$0.07697	3.15	\$0.06815
3.20	\$0.10501	3.20	\$0.07701	3.20	\$0.06819
3.25	\$0.10506	3.25	\$0.07705	3.25	\$0.06822
3.30	\$0.10512	3.30	\$0.07709	3.30	\$0.06826
3.35	\$0.10517	3.35	\$0.07713	3.35	\$0.06829
3.40	\$0.10523	3.40	\$0.07717	3.40	\$0.06833
3.45	\$0.10528	3.45	\$0.07721	3.45	\$0.06836
3.50	\$0.10534	3.50	\$0.07725	3.50	\$0.06840
3.55	\$0.10539	3.55	\$0.07729	3.55	\$0.06844
3.60	\$0.10545	3.60	\$0.07733	3.60	\$0.06847
3.65	\$0.10550	3.65	\$0.07737	3.65	\$0.06851
3.70	\$0.10556	3.70	\$0.07741	3.70	\$0.06854
3.75	\$0.10561	3.75	\$0.07745	3.75	\$0.06858
3.80	\$0.10567	3.80	\$0.07749	3.80	\$0.06861
3.85	\$0.10572	3.85	\$0.07754	3.85	\$0.06865
3.90	\$0.10578	3.90	\$0.07758	3.90	\$0.06869
3.95	\$0.10583	3.95	\$0.07762	3.95	\$0.06872
4.00	\$0.10589	4.00	\$0.07766	4.00	\$0.06876
4.05	\$0.10594	4.05	\$0.07770	4.05	\$0.06879
4.10	\$0.10600	4.10	\$0.07774	4.10	\$0.06883
4.15	\$0.10605	4.15	\$0.07778	4.15	\$0.06886
4.20	\$0.10611	4.20	\$0.07782	4.20	\$0.06890
4.25	\$0.10616	4.25	\$0.07786	4.25	\$0.06894
4.30	\$0.10622	4.30	\$0.07790	4.30	\$0.06897
4.35	\$0.10627	4.35	\$0.07794	4.35	\$0.06901
4.40	\$0.10633	4.40	\$0.07798	4.40	\$0.06904
4.45	\$0.10638	4.45	\$0.07802	4.45	\$0.06908
4.50	\$0.10644	4.50	\$0.07806	4.50	\$0.06912